



**SEG INTERNATIONAL BHD**

145998-U

**SUMMARY OF KEY FINANCIAL INFORMATION**  
**30 JUNE 2009**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2009	30/06/2008	30/06/2009	30/06/2008
	RM'000	RM'000	RM'000	RM'000
1 Revenue	37,589	28,740	78,269	55,218
2 Profit before tax	1,103	501	9,866	7,284
3 Profit for the period	429	368	7,385	6,427
4 Profit attributable to ordinary equity holders of the parent	302	344	6,995	6,132
5 Basic earnings per share (sen)	0.36	0.41	8.44	7.29
6 Proposed/Declared dividend per share (sen)	-	-	-	-
			<b>AS AT END OF CURRENT QUARTER</b>	<b>AS AT PRECEDING FINANCIAL YEAR END</b>
7 Net assets per share attributable to ordinary equity holders of the parent (RM)			1.9927	1.9099

**ADDITIONAL INFORMATION**

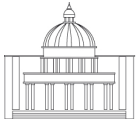
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/06/2009	30/06/2008	30/06/2009	30/06/2008
	RM'000	RM'000	RM'000	RM'000
1. Gross interest income	125	266	265	642
2. Gross interest expense	(384)	(756)	(775)	(1,300)

**CONDENSED CONSOLIDATED BALANCE SHEET**

At 30 June 2009

	As at 30 Jun 2009 (RM'000)	As at 31 Dec 2008 (RM'000)
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Investment in associates	4,909	451
Property, plant and equipment	68,890	70,897
Prepaid land lease payments	28,570	4,951
Investment properties	154	156
Other receivables	11,358	11,768
Intangible assets	30,109	30,237
Other investments	3,247	3,837
Deferred tax assets	3,374	3,374
	<u>150,611</u>	<u>125,671</u>
<b>CURRENT ASSETS</b>		
Prepaid land lease payments	252	-
Inventories	8	8
Receivables, deposits and prepayments	34,772	35,224
Tax recoverable	6,444	5,462
Cash and cash equivalents	20,438	47,545
	<u>61,914</u>	<u>88,239</u>
<b>TOTAL ASSETS</b>	<b><u>212,525</u></b>	<b><u>213,910</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share Capital	89,093	89,093
Treasury Shares	(4,863)	(4,862)
Reserves	80,962	74,093
	<u>165,192</u>	<u>158,324</u>
<b>MINORITY INTERESTS</b>	1,013	623
<b>TOTAL EQUITY</b>	<u>166,205</u>	<u>158,947</u>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Long-term borrowings	16,436	7,840
Deferred tax liabilities	1,891	1,891
	<u>18,327</u>	<u>9,731</u>
<b>CURRENT LIABILITIES</b>		
Payables and accruals	17,100	22,170
Short-term borrowings	7,970	22,709
Provision for taxation	2,766	184
Bank overdrafts	157	169
	<u>27,993</u>	<u>45,232</u>
<b>TOTAL LIABILITIES</b>	<u>46,320</u>	<u>54,963</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>212,525</u></b>	<b><u>213,910</u></b>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008.



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## CONDENSED CONSOLIDATED INCOME STATEMENT for the period ended 30 June 2009

	Current Period 3 months ended 30-June		Cumulative Period 6 months ended 30-June	
	2009 (RM'000)	2008 (RM'000)	2009 (RM'000)	2008 (RM'000)
Revenue - services	37,589	28,740	78,269	55,218
Cost of services	(10,990)	(8,993)	(22,591)	(15,238)
<b>Gross profit</b>	<b>26,599</b>	<b>19,747</b>	<b>55,678</b>	<b>39,980</b>
Other income	448	1,260	2,087	5,903
	27,047	21,007	57,765	45,883
Distribution expenses	(4,343)	(2,377)	(7,036)	(5,203)
Administrative expenses	(9,924)	(8,374)	(19,962)	(15,377)
Other expenses	(11,764)	(8,999)	(20,799)	(16,719)
Finance costs	(384)	(756)	(775)	(1,300)
Share of profit of associate	471	-	673	-
<b>Profit before taxation</b>	<b>1,103</b>	<b>501</b>	<b>9,866</b>	<b>7,284</b>
Tax - company and subsidiaries	(663)	(133)	(2,466)	(857)
Tax - associate	(11)	-	(15)	-
Income tax expense	(674)	(133)	(2,481)	(857)
<b>Profit after taxation</b>	<b>429</b>	<b>368</b>	<b>7,385</b>	<b>6,427</b>
<b>Attributable to :</b>				
Shareholders of the Company	302	344	6,995	6,132
Minority interests	127	24	390	295
	<b>429</b>	<b>368</b>	<b>7,385</b>	<b>6,427</b>
<b>Earnings per share</b>				
- Basic (sen)	0.36	0.41	8.44	7.29

The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008.

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT  
for the period ended 30 June 2009**

	<b>30 Jun 2009 (RM'000)</b>	<b>30 Jun 2008 (RM'000)</b>
<b><u>Cash flows from operating activities</u></b>		
<b>Profit before tax</b>	9,866	7,284
<b>Adjustment for:-</b>		
- Non-cash items	3,511	2,530
- Non-operating items	2,048	(3,256)
<b>Operating profit before working capital changes</b>	15,424	6,558
<b>Changes in working capital</b>		
- Net change in current assets	(2,939)	2,238
- Net change in current liabilities	(7,070)	(58,161)
<b>Cash used in operations</b>	5,415	(49,365)
- Net income taxes paid	(881)	(651)
- Net interest	(510)	(1,300)
<b>Net cash from/ (used in) operating activities</b>	4,025	(51,316)
<b><u>Cash flows from investing activities</u></b>		
- Purchase of quoted shares	-	(1,284)
- Purchase of subsidiary	-	(167)
- Net proceeds from disposal of property, plant and equipment/assets classified as held for sale	2,750	139,298
- Acquisition of property, plant and equipment	(27,726)	(6,261)
<b>Net cash (used in)/ from investing activities</b>	(24,976)	131,586
<b><u>Cash flows from financing activities</u></b>		
- Net repayments of borrowings	(6,143)	(40,760)
- Repurchase of treasury shares	(1)	-
- Increase in pledged deposits placed with licensed bank	-	(4,918)
<b>Net cash used in financing activities</b>	(6,144)	(45,678)
<b>Net (decrease)/ increase in cash and cash equivalents</b>	(27,095)	34,592
<b>Cash and cash equivalents at beginning of the period</b>	47,376	(8,180)
<b>Cash and cash equivalents at end of the period (Note i)</b>	20,281	26,412

*i) Cash and cash equivalents*

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

Cash and bank balances	8,265	33,049
Deposits placed with licensed banks	12,173	9,967
Bank overdrafts	(157)	(6,637)
	20,281	36,379

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008.



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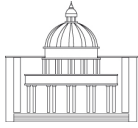
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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the period ended 30 June 2009

	← Attributable to Shareholders of the Company →								
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Treasury Shares RM'000	Exchange Translation Reserve RM'000	Retained Profits RM'000	Total RM'000	Minority Interests RM'000	Total Equity RM'000
<b>Balance as at 1 January 2009</b>	89,093	35,876	2,002	(4,862)	(94)	36,309	158,324	623	158,947
Net profit for the period	-	-	-	-	-	6,995	6,995	390	7,385
Exchange difference on retranslation of net assets of overseas subsidiary*	-	-	-	-	(126)	-	(126)	-	(126)
Treasury shares acquired	-	-	-	(1)	-	-	(1)	-	(1)
<b>Balance as at 30 June 2009</b>	<b>89,093</b>	<b>35,876</b>	<b>2,002</b>	<b>(4,863)</b>	<b>(220)</b>	<b>43,304</b>	<b>165,192</b>	<b>1,013</b>	<b>166,205</b>
<b>Balance as at 1 January 2008</b>	89,093	35,876	2,027	(3,561)	(91)	30,245	153,589	749	154,338
Net profit for the period	-	-	-	-	-	6,132	6,132	295	6,427
Exchange difference on retranslation of net assets of overseas subsidiary*	-	-	-	-	(4)	-	(4)	-	(4)
Treasury shares acquired	-	-	-	(1,284)	-	-	(1,284)	-	(1,284)
<b>Balance as at 30 June 2008</b>	<b>89,093</b>	<b>35,876</b>	<b>2,027</b>	<b>(4,845)</b>	<b>(95)</b>	<b>36,377</b>	<b>158,433</b>	<b>1,044</b>	<b>159,477</b>

The Condensed Consolidated Statement Of Changes In Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008.

\* - expense recognised directly in equity



## **Notes to interim financial report**

### **A. DISCLOSURE REQUIREMENTS AS PER FRS 134**

#### **1. Basis of preparation**

The interim financial report is unaudited and has been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report has been prepared in accordance with the accounting policies adopted in the 2008 annual financial statements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2008. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2008.

#### **2. Qualification of Audit Report**

The audit report of the financial statements of the Group for the year ended 31 December 2008 was not qualified.

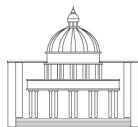
#### **3. Seasonal or cyclical factors**

Full-time students enrol for courses during certain periods of the year whereas adult learners (part-time students) do not have preference for specific intakes.

With the combination of both full-time and part-time programmes offered by the Group, the effects of seasonal or cyclical factors are minimised.

#### **4. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual.**

There were no material unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the financial period ended 30 June 2009.



**5. Nature and amount of changes in estimates**

There were no changes in estimates of amounts previously reported which have a material effect in the financial period ended 30 June 2009.

**6. Issuance, cancellations, repurchases, resale and repayments of debt and equity securities**

There were no cancellations, repurchases, resale and repayments of debts and equity securities during the financial period ended 30 June 2009 except for the following:

No. of ordinary shares of RM1.00 each as at 1 January 2009	No. of ordinary shares 82,897,155
Less: Repurchase of Company's own ordinary shares	(2,000)
No. of ordinary shares of RM1.00 each as at 30 June 2009	<u>82,895,155</u>

During the financial period, the Company repurchased 2,000 of its own ordinary shares from the open market at an average price of RM0.83 per share. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965. As at 30 June 2009, the total shares bought back, all of which are held as treasury shares, amounted to 6,197,600 shares and the number of ordinary shares of RM 1.00 each net of shares bought back was 82,895,155 shares.

**7. Dividends paid**

There were no dividends paid for the quarter under review.

**8. Segment reporting**

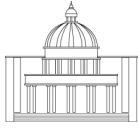
The Group's turnover and profits were derived mainly from education and training activities and accordingly, no segment reporting is presented.

**9. Valuations of property, plant and equipment**

The valuations of land and building have been brought forward, without amendments from the previous annual report.

**10. Material subsequent events**

There are no material subsequent events that have not been reflected in the financial statements for the financial period ended 30 June 2009.



## **11. Changes in composition of the Group**

There were no major changes in the composition of the Group during the period ended 30 June 2009, except on 15 January 2009:

a) The Company through its wholly-owned subsidiary, Summit Early Childhood Edu-Care Sdn Bhd, completed its:-

(i) acquisition of 500,000 ordinary shares of RM1 each in Eduspec Sdn Bhd (“Eduspec”) for a total purchase price of RM1.9 million; and

(ii) subscription of 500,000 new ordinary shares of RM1 each in Eduspec for a total subscription price of RM1.9 million.

The total shares acquired and subscribed represent 22.22% of the issued and paid-up capital of Eduspec; and

b) The Company through its wholly-owned subsidiary, SEG Equity Sdn Bhd, acquired 100,000 ordinary shares of RM 1 each, representing 100% equity interest in Metromas Realtors Sdn Bhd for a total cash consideration of RM 100,000.

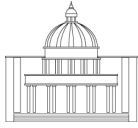
## **12. Changes in contingent liabilities or contingent assets**

There were no material contingent liabilities or contingent assets of the Group as at 30 June 2009.

## **13. Capital Commitments**

There were no material capital commitments approved and contracted for as at 30 June 2009.





**B. DISCLOSURE REQUIREMENTS AS PER BURSA MALAYSIA  
SECURITIES BERHAD LISTING REQUIREMENTS.**

**1. Review of performance**

For the six-month period under review, the Group achieved a revenue of RM78.3 million and a profit before tax of RM9.9 million, an improvement of 42% and 35% respectively, as compared to the corresponding period in 2008.

The improvement in performance is generally due to the increase in the student enrolments at the Group's institutions.

**2. Variation of results against preceding quarter**

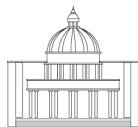
The Group recorded a profit before taxation and minority interest of RM1.1 million for the current quarter compared to RM8.8 million in the preceding quarter. The drop in the profit before taxation is in line with the general trend of the industry where the first quarter is stronger than the second quarter.

**3. Prospects for the year**

The prospects of the Group are reasonably positive despite the challenging economic environment. The Group continues to develop new and niche academic programmes to expand its course offerings.

**4. Profit forecast**

Not applicable.



## 5. Tax Expenses

	Current quarter ended 30 June 2009 (RM'000)	Cumulative period ended 30 June 2009 (RM'000)
Current tax expense		
- current	674	2,481
- prior year	-	-
	<u>674</u>	<u>2,481</u>
Deferred tax expense/(benefits)		
- current	-	-
- prior year	-	-
	<u>-</u>	<u>-</u>
Total	<u>674</u>	<u>2,481</u>

## 6. Unquoted investments and properties

During the current quarter, the Group through its wholly-owned subsidiary, Metromas Realtors Sdn Bhd, acquired a piece of leasehold land measuring approximately 28,689m<sup>2</sup> at Kota Damansara, Selangor for a total consideration of RM 23.2 million.

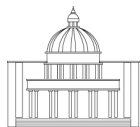
During the previous quarter, SEG Equity Sdn Bhd, a wholly-owned subsidiary, disposed four (4) units of service apartments in Subang Jaya, Selangor, for a total consideration of RM2,750,000. This resulted in a gain on disposal of RM193,300.

There was no sale of unquoted investments in the current quarter and financial year-to-date.

## 7. Quoted investments

Investment in quoted securities as at 30 June 2009:

	Cost (RM'000)	Book value (RM'000)	Market Value (RM'000)
Total quoted securities	4,201	4,201	1,340
Less : Provision for diminution in value	-	(1,544)	-
Balance as at 30 June 2009	<u>4,201</u>	<u>2,657</u>	<u>1,340</u>



**8. Status of corporate proposal announced**

The Group, through its wholly-owned subsidiary Metromas Realtors Sdn Bhd completed its acquisition of a piece of leasehold land as mentioned under Note B6.

**9. Borrowing and debt securities**

	30 June 2009 (RM'000)
Current	
- Secured	7,970
- Unsecured	-
	<hr/> 7,970 <hr/>
Non-current	
- Secured	16,436
- Unsecured	-
	<hr/> 16,436 <hr/>
	<hr/> 24,406 <hr/> <hr/>

The above borrowings are denominated in Ringgit Malaysia.

**10. Off balance sheet financial instruments**

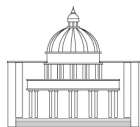
There were no financial instruments with off balance sheet risk as at 24 August 2009.

**11. Changes in material litigation**

There were no pending material litigations as at 24 August 2009.

**12. Dividend**

No interim dividend has been declared for the financial period under review.



### 13. Earnings per share

The basic and diluted earnings per share have been calculated based on the consolidated net profit for the period and on the weighted average number of ordinary shares in issue during the period.

#### *Basic earnings per share*

	Current Quarter Ended 30/6/2009 (RM'000)	Comparative Quarter Ended 30/6/2008 (RM'000)	Cumulative to-date 30/6/2009 (RM'000)	Cumulative to-date 30/6/2008 (RM'000)
<b>Earnings</b>				
Profit for the period	429	368	7,385	6,427
Amount attributable to minority interests	(127)	(24)	(390)	(295)
Profit for the period attributable to the shareholders of the Company	302	344	6,995	6,132
	(‘000)	(‘000)	(‘000)	(‘000)
<b>Weighted average number of ordinary shares</b>	82,897	84,319	82,897	84,075
<b>Basic earnings per share (sen)</b>	0.36	0.41	8.44	7.29